

June 15, 2015



we promise



City of Orem
Michael Madden

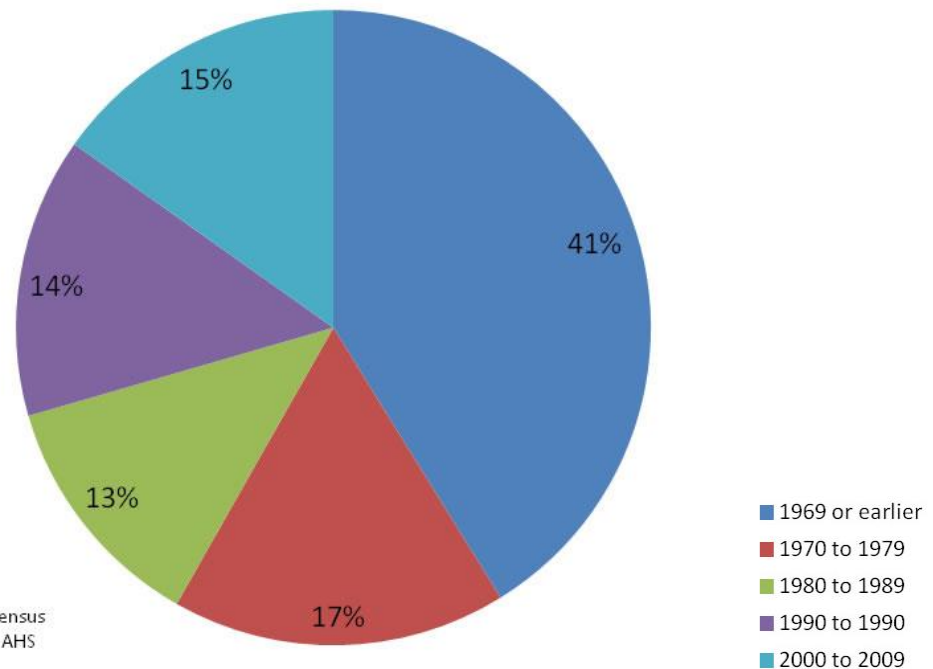


Average Age of U.S. Housing



- Over 40% of the nation's owner-occupied housing is more than 45 years old.

Share of Owner-Occupied Housing
Years Structure Built - 2011



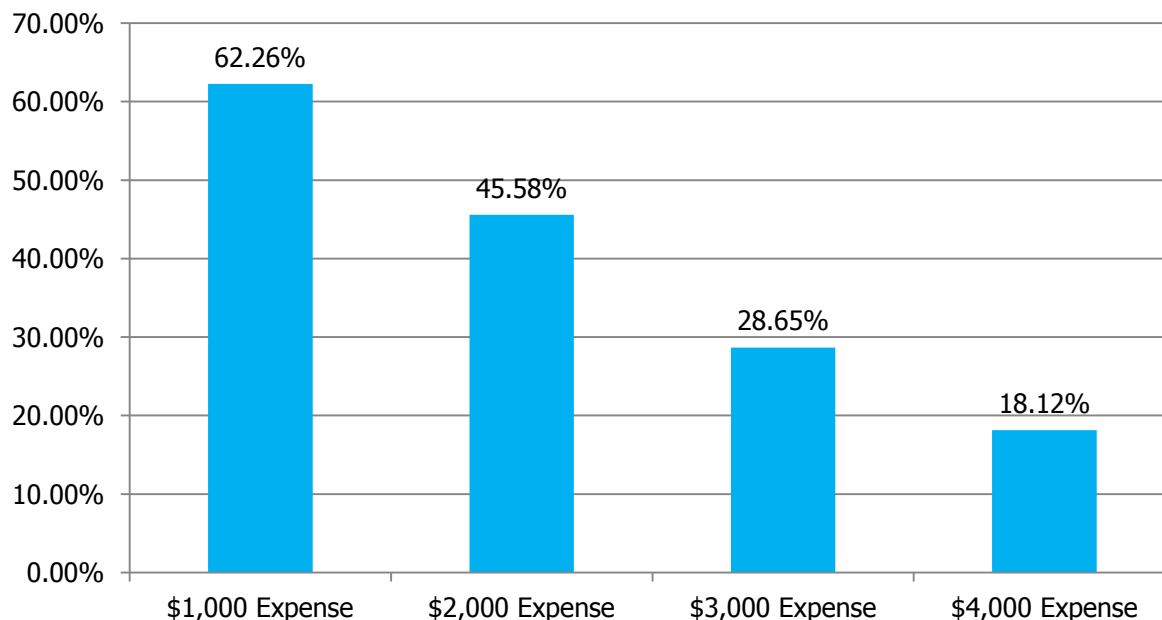
Source: U.S. Census
Bureau - 2011 AHS

Families Struggle with Unplanned Expenses



- Did you know that only 18% of American households can afford a \$4,000 unexpected expense? In most cases, this type of expenditure would severely deplete their savings account, leaving no room for other expenses such as medical bills, auto or home repairs, etc.

% of American households that would be able to afford a costly expense



Source: U.S. Census Bureau

Service Line Repairs are Unplanned Expenses



- Homeowners are responsible for the repair or replacement of their utility service lines. Over time these lines will fail due to normal wear and tear.
- Repair costs range from a few hundred dollars to several thousand dollars depending upon many different factors such as length of line, depth of line, age and condition of materials, etc.
- Utility Service Partners in conjunction with the National League of Cities offers a program to protect your residents from the high cost of these repair bills.
- USP features attractively priced products with no hidden service fees or deductibles, and no per incident or lifetime caps on coverage amounts.
- The program is designed to protect residents from the stress and high cost of utility line repairs, strengthen the integrity of the utility infrastructure (reducing water loss and waste water pollution), and generate incremental revenues through an affordable, value-added program.
- Both the external sewer line warranty and an external water line warranty are designed to cover the homeowner's responsibility for their portion of the underground lines.

Warranty Program Overview



- These products are specifically designed for single family, residential homeowners who may not have set aside the funds required to make these often significant repairs and are not typically covered by homeowners insurance policies.
- Products are voluntary, optional and tailored to meet the unique needs of each community to help reduce claim denials.
- Helps captures revenues and mitigates I&I fines from the EPA.
- Offered at no cost to the City or liability to the city.
- Top quality products bring value to your customers by enhancing their experience, and satisfied customers bring additional value to your city's brand.

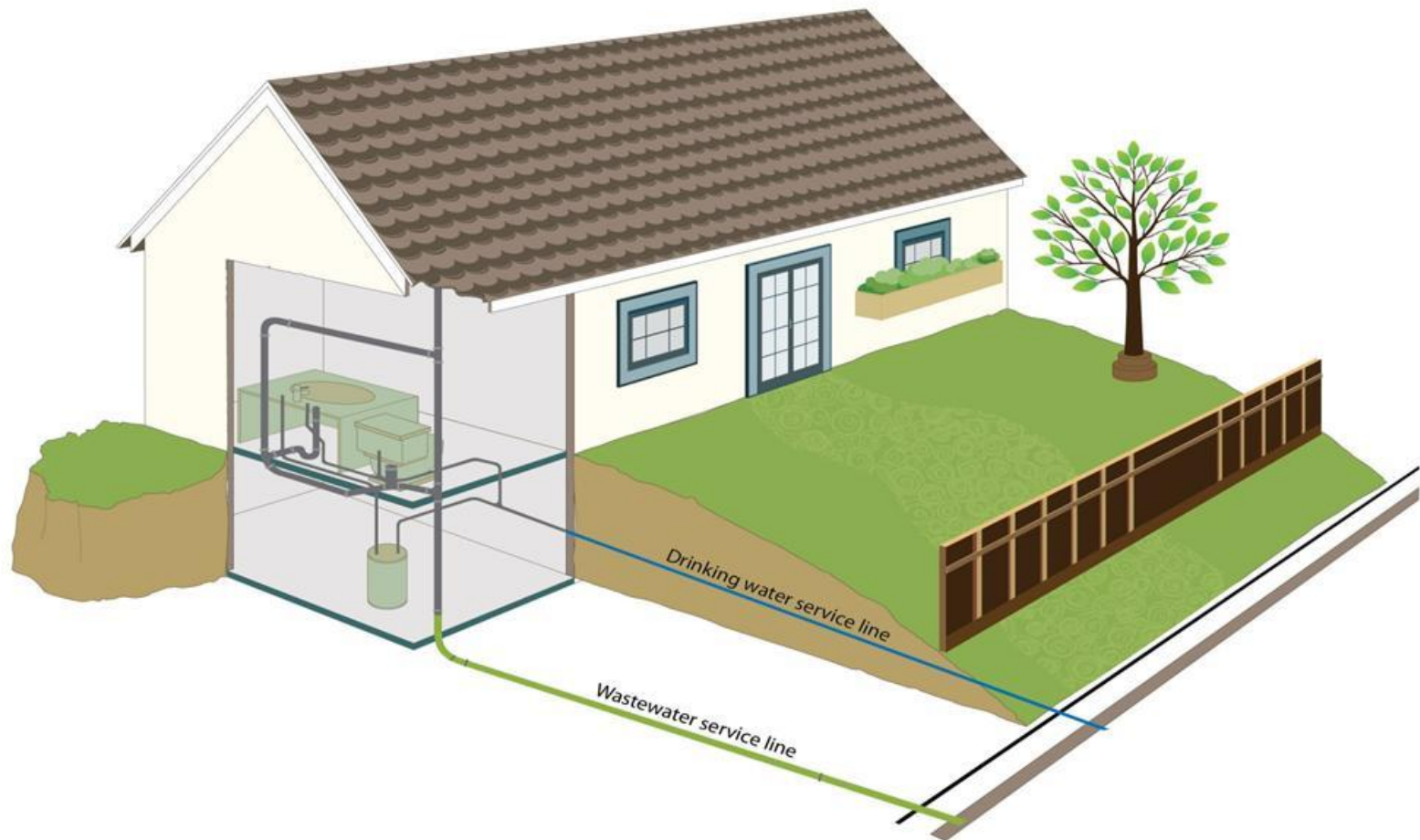


Program Highlights



- No cost to the City to participate
- No liability to the city
- Affordable rates for your residents
- No long term contracts
- 24 / 7 customer service
- Service from trusted, local area contractors
- All repairs performed to local code
- Fewer service calls and resident complaints
- Peace of mind for your residents and the city
- Strengthens the integrity of the utility system
- Covers the replacement of galvanized lines

Provides protection from the point of entry at the home to the utility responsibility



External Water & Sewer Line Product Overview



| Product | Coverage Description | Coverage Limits per Occurrence |
|------------------------------|---|--------------------------------|
| External Water Line Warranty | Covers the repair or replacement of a leaking or broken single underground water supply line serving the home. The warranty covers the consumer owned portion of the water supply line. | Unlimited coverage |

| Product | Coverage Description | Coverage Limits per Occurrence |
|------------------------------|--|--------------------------------|
| External Sewer Line Warranty | Covers the repair or replacement of a broken underground sewer line from the utility's main sewer line to the internal point of entry to the home. | Unlimited coverage |

- No long term contracts
- Unlimited coverage per occurrence, including coverage for public street or sidewalk cutting, if needed
- Optional and voluntary
- No deductibles or other fees; Water \$4.49/48.88 Sewer \$6.99/78.88

Marketing Approach



- Having executed hundreds of direct mail campaigns offering water and sewer line warranties, USP has been able to mine rich history to determine the optimal method and message for offering these products.
- USP relies solely on direct mail and public relations to generate awareness and interest in these products, no telemarketing.
- USP has found that sending the identical letter two weeks apart (with a header of “Reminder, Please disregard if you have already enrolled) significantly increases participation rates – to the tune of a 45% lift as a result of the second letter
- USP has also determined that these products are in fact seasonal, performing best in the spring and fall
- History has demonstrated that participation is optimized by offering the sewer line warranty first, followed by the water line warranty introduction
- Consumers can enroll one of three ways:
 - Calling the toll free number provided on the mailing;
 - Mailing in the Consumer reply portion of the letter in the envelope provided, or;
 - Visiting our consumer website www.slwofa.com at any time during or outside of a campaign cycle

Public Private Partnerships



- Public entities are utilizing public-private partnerships as a way to offset soaring budget deficits when it aligns with their objectives of benefiting the city and their residents
- Have been around since the 1990's, interest in public-private partnerships has gained increased momentum following the 2008-2009 economic collapse and subsequent decline in tax revenue
- Cities are exploring sponsorships ranging from beverage vending rights to naming rights deals
- Many cities are finding success using sponsorships to recapture lost revenues, generate new revenue streams or to underwrite capital improvements
- Funds are being used to upgrade parks and other local infrastructure, to fund public services such as police and fire, or to fund residential assistance programs



USP Customer Advocacy Results



BBB ACCREDITED BUSINESS SINCE 09/21/2007

Utility Service Partners Private Label, Inc.

(724) 749-1037

View Additional Phone Numbers

11 Grandview Cir Ste 100, Canonsburg, PA 15317-6508

Send email to Utility Service Partners Private Label, Inc.

www.slwofa.com



On a scale of A+ to F

Reason for Rating
[BBB Ratings System Overview](#)

Customer Complaints Summary

6 complaints closed with BBB in last 3 years | 0 closed in last 12 months

| Complaint Type | Total Closed Complaints |
|---------------------------------|-------------------------|
| Guarantee / Warranty Issues | 4 |
| Problems with Product / Service | 2 |
| Advertising / Sales Issues | 0 |
| Billing / Collection Issues | 0 |
| Delivery Issues | 0 |
| Total Closed Complaints | 6 |

[Definitions](#) | [BBB Complaint Process](#) | [File a Complaint](#)

USP - Trusted Service Provider



- Endorsed by the National League of Cities
- Endorsed by North Central Texas Council of Governments
- Accredited by the Better Business Bureau with an A+ rating since 2007
- Clean Record with Regulatory Oversight with State Insurance Commissions and/or State Attorney General's Office
 - No fines, penalties, negative rulings, etc.
- Excellence delivering successful programs to our clients
 - Marketing
 - Customer Service
 - Claims
 - Contractor Management

USP is Uniquely Qualified



Superior Product and Program Design

- Critical factors for a successful program include:
 - Broad, customer friendly coverage in the Terms & Conditions
 - Ease of participation – easy to enroll, file a claim or cancel
 - Organizational culture focused on consumer advocacy
 - Affordable pricing, no hidden charges and attractive terms – month to month
 - Small, local contractors committed to upholding USP customer service standards
 - No up selling of other products not approved by the City
 - Effective but honest campaign messaging

Low Claims Denial Rate



Customer Advocacy

- USP takes customer satisfaction very seriously
- Internal call center with 24/7/365 availability
- Our customer advocacy philosophy drives our customer satisfaction rating of over 95%
- USP has processed more than 100,000 repair requests
- In 2014, we denied 0.04% of submitted claims
- Given USP's customer advocacy culture coupled with the close working relationships with small local contractors, USP is able to approve more than 97% of all claims filed and 99.9% of all claims filed fall within our coverage caps



Philosophy of Customer Advocacy



Claims Processing

- When faced with the need for a repair, customers expect and deserve immediate assistance
- USP provides assurance and support by using a simple, customer friendly approach.
- There are no forms or paperwork for the customer to complete
- Customer calls USP, USP contacts contractor, Contractor calls homeowner, USP initiates work order, Contractor files invoice, USP pays contractor, USP surveys homeowner
- No further effort on the part of the customer is required
- This approach maximizes customer satisfaction and minimizes concerns of City

Contractor Management



Contractor Selection

- USP recruits only locally owned contractors. Local contractors understand and appreciate USP's customer service standards which are some of the highest in the industry
- Local contractors familiar with city code complete repairs effectively and efficiently, resulting in delighted customers
- USP ensures that every participating contractor has both the desire and ability to quickly respond in their territory with the appropriate equipment and skilled labor
- USP has a proven track record of developing and working with SBE



Implementation is Easy



- Obtain City Council's support
- Execute the Marketing Services Agreement
 - Provides for the use of City logo on marketing materials
 - Indemnifies the City
- Review and Approve Campaign Materials which can include:
 - Press Release
 - Web Banner
 - Marketing Letter
 - Approve Mailing List
- Access to Partner Portal
 - Secure access to important information about enrollments & claims

We Promise To Take Care Of Your Residents

- We are the only company endorsed and branded by the National League of Cities
- We serve over 250 cities and towns including Phoenix, San Diego, Plano, Atlanta, Ft. Lauderdale, Kansas City as well as communities with only 100 households
- We are not a telemarketer or a private utility company
- We will not upsell other products to your homeowners
- Broadest coverages and most experienced management team
- Coverages are tailored to address your community's unique requirements
- City of will enjoy maximum participation through USP's marketing efforts
- We are a trusted partner and solution oriented company